

Results of Operations for 2020

February 12, 2021

Bell-Park Co., Ltd.

Tokyo Stock Exchange JASDAQ Standard (Stock code: 9441)

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Bell-Park

- 2020 Financial Highlights
- Business Climate Outlook and Bell-Park Initiatives
- 2021 Plan and Shareholder Returns

Statement of Income

Record high earnings for the second consecutive year

- Sales decreased as the decline in the average price per phone sold more than offset the increase in sales volume due to the larger number of shops
- Limits on mobile phone discounts due to Telecommunications Business Act amendments returned sales promotion expenses to the normal level
- Teleworking for administrative personnel and the use of the internet for meetings, training and recruiting activities reduced many categories of expenses (transportation, overtime and others)

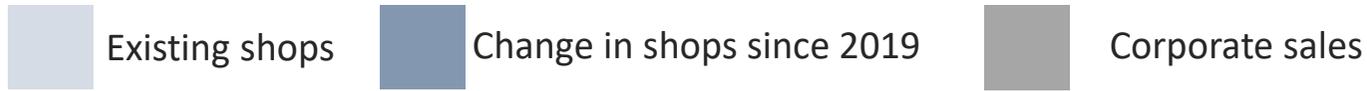
(million yen)

	2019 results	2020 results	YoY change
Net sales	103,303	98,843	-4,460
(Comp.)	(100.0%)	(100.0%)	-4.3%
Operating income	4,375	5,052	+677
	(4.2%)	(5.1%)	+15.5%
Ordinary income	4,379	5,348	+968
	(4.2%)	(5.4%)	+22.1%
Profit attributable to owners of parent	3,040	3,620	+579
	(2.9%)	(3.7%)	+19.1%

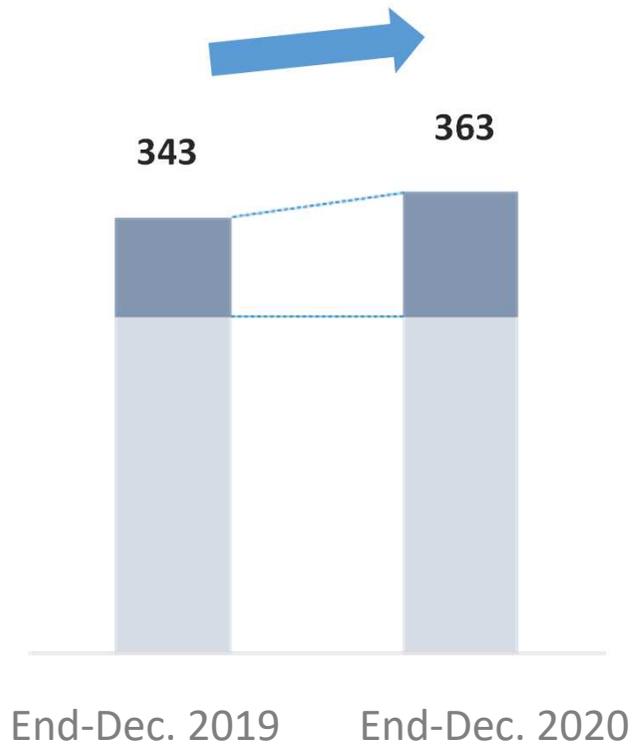
2020 Topics by Sales Channel

Sales channels	Topics	Impact on net sales (YoY change)	Impact on operating income (YoY change)
Carrier shops	<ul style="list-style-type: none"> The number of mobile phones sold increased mainly because of the larger number of shops Decrease in average price per phone/Lower sales promotion expenses (Limit on discounts due to Telecommunications Business Act amendments) Growth in the number of applications other than for mobile phones (landline phones, electricity, cashless payments and other services) Higher SG&A expenses due to the larger number of directly operated shops 	 (increase in number of mobile phones sold) (decrease in phone prices)	
Corporate sales	<ul style="list-style-type: none"> Higher mobile router and PC sales because of demand linked to teleworking 		

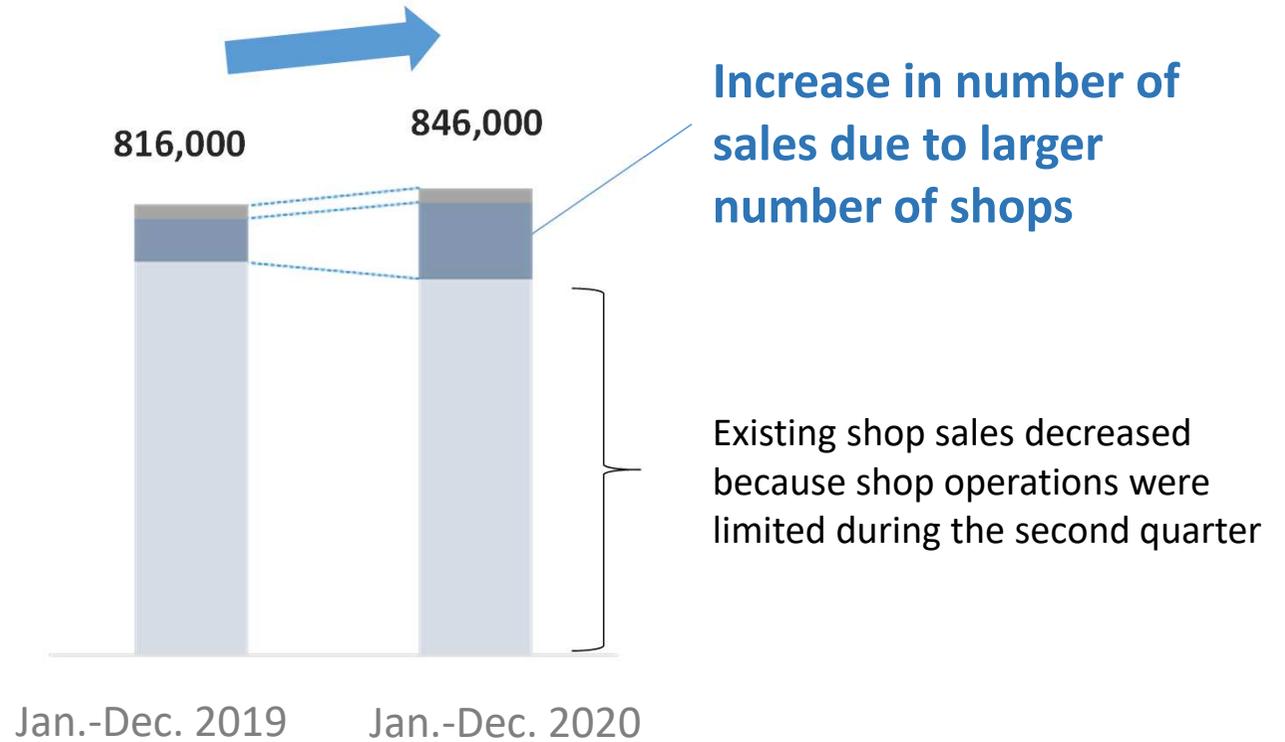
Larger Sales Volume Due to an Increase in the Number of Carrier Shops



Number of Carrier Shops



Number of Mobile Phones/
Other Products Sold

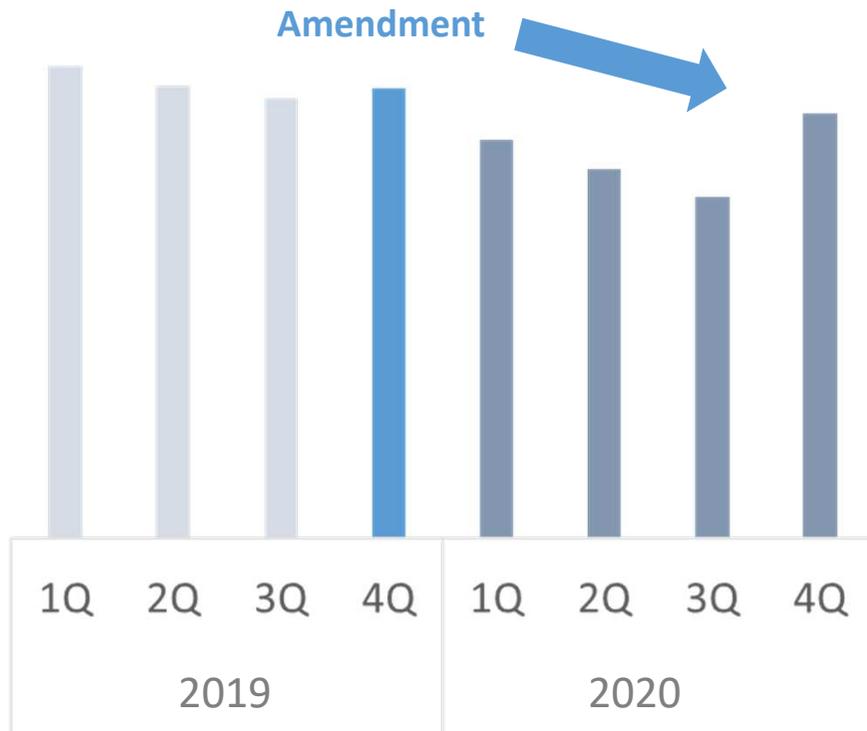


Effect of Oct. 2019 Amendments to the Telecommunications Business Act

Lower sales price per mobile phone and decrease in cash-back expenses

(Bell-Park Group average)

Price of Mobile Phones Sold



Cash Back per Mobile Phone Sold



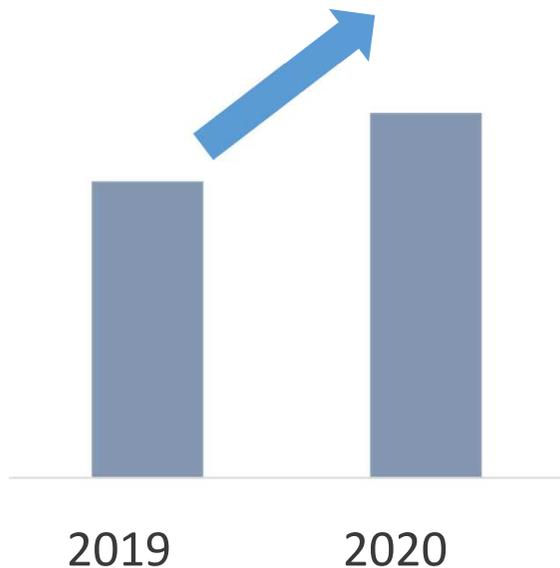
Increasing Sales of Products Other Than Mobile Phones

2020 sales of products other than mobile phones were higher than one year earlier despite the limitations on business activities in the second quarter of 2020

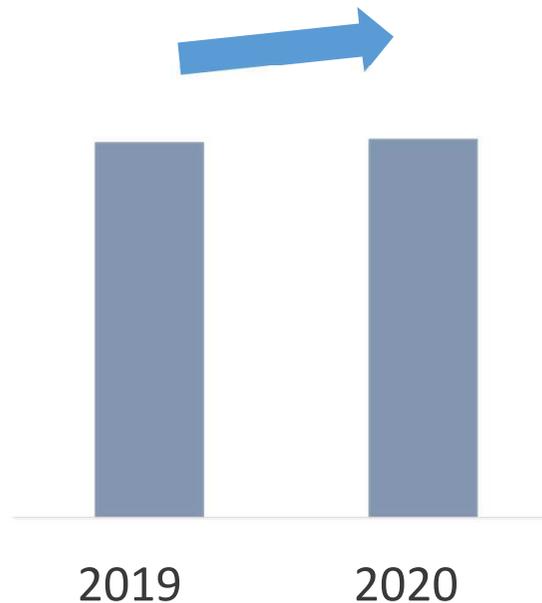
Sales of higher-speed devices increased because of the growth of teleworking

Started covering more areas of Japan (Hokuriku and Kyushu)

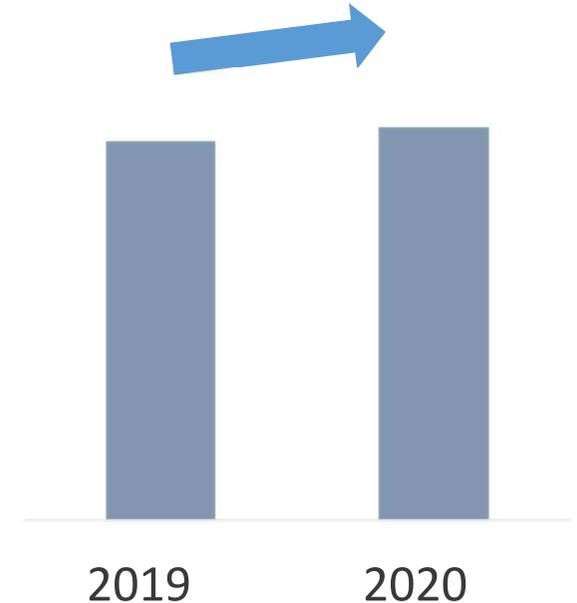
Public-sector cashless payments and utilization reward points are increasing the use of the PayPay payment service



SoftBank Air
Modem sales and service applications



SoftBank Denki
Number of applications



PayPay
Number of applications

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Actions of Carriers from 2020 Onward

New low-cost brands and new service plans

Japan's Big Three Carriers

- **New brand exclusively for online service**
(starts in March 2021)
- New service plan for primary brands
(starts in March 2021)
- New service plan for subordinate brands
(starts in February 2021)

Rakuten Mobile

- Announced a new service plan
(starts in April 2021)

MVNO Companies

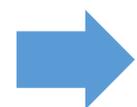
- Announcing new service plans

Expected Effect of the Amendment on Carrier Shops

Increase in competition among carriers

- More people will switch to carriers that offer more competitive service plans
- The number of people who visit carrier shops may decline
- Decrease in renewal commissions due to the decline in mobile phone rates

*Renewal commissions are payments from carriers to Bell-Park that are a percentage of the monthly mobile phone service fee paid by users of phones and plans purchased at Bell-Park shops. These fees are paid for only a certain length of time.



More challenging business climate for sales agent shops



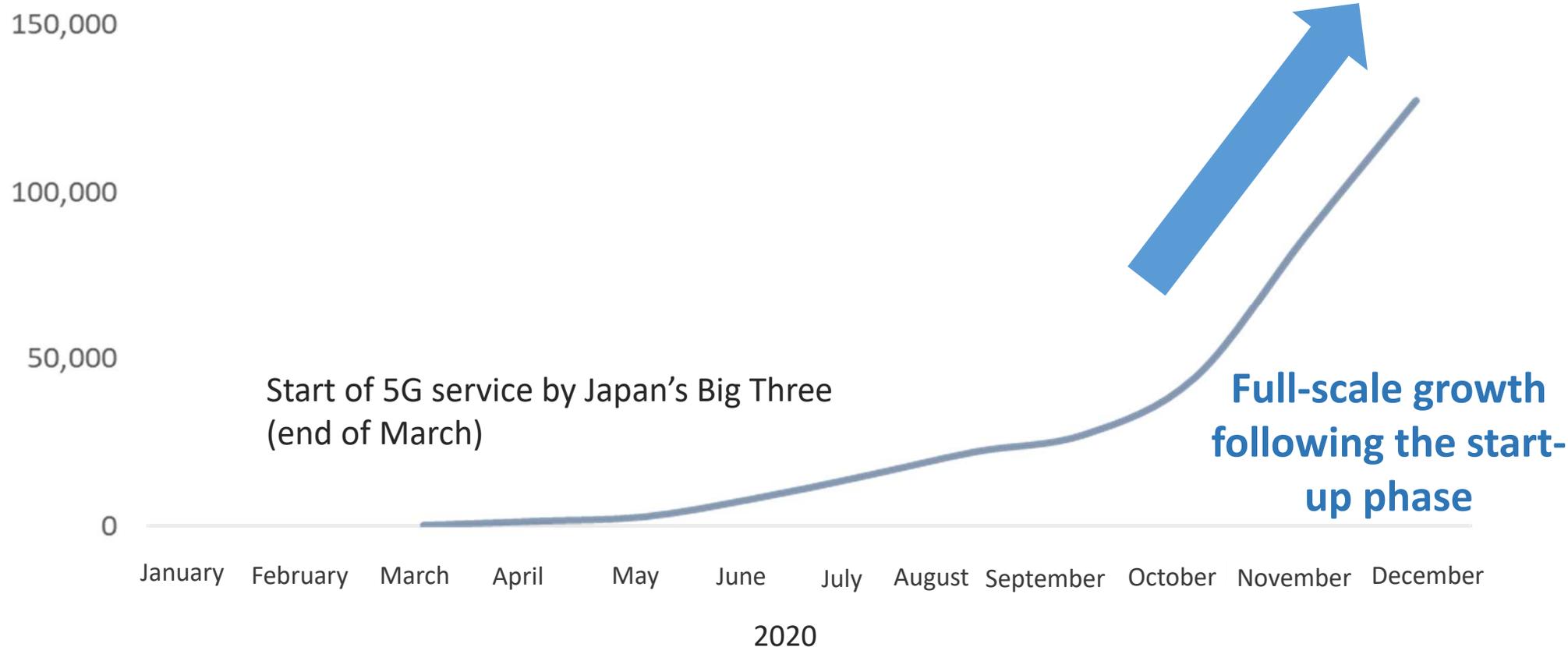
Carrier shops will have to provide an even higher level of skills and further increase customer satisfaction

Success will require the ability to provide the best possible services from among the large number of options that customers have to choose from

Increase in Sales of 5G Mobile Phones

Sales are expected to continue increasing as 5G coverage grows and more phone models are introduced

Cumulative Bell-Park sales of 5G phones (units)



Initiatives for Growth

Steady growth of the information and communication device sales and services business

Carrier Shops

- Recruit and train people, operate shops more efficiently, relocate and remodel shops, and make investments at an appropriate level to open more shops

Corporate sales

- Increase the number of corporate customers and add peripheral services centered on mobile phones, PCs and other products

Establish new profit centers

- Take actions for the growth of the marriage matchmaking service, IoT device business (planning, imports, wholesale) and personnel placement service that specializes in middle-age and senior workers
- Use M&A and other activities for the launch and growth of businesses, including businesses associated with existing operations, that can become new profit centers

Continuing Measures to Prevent the Spread of COVID-19

Preventive measures will continue as Japan prepares to start vaccinations

Carrier shops

- Checking customers using contact-free thermometers
- Use of face masks and goggles
- Plastic barriers between customers and store
- Chairs placed for separation between customers
- Disinfecting of areas open to customers, including furniture and other objects
- Rigorous supervision of health of store personnel
- Periodic PCR tests for COVID-19



* Some preventive measures may differ depending on the guidelines of each carrier.

Head office and other locations

- People work from home as much as possible (except some departments)
- Using the internet for internal meetings, interaction with customers, recruiting activities and training activities



All Bell-Park employees use a smartphone app to submit a questionnaire about their health every week

Using Business Operations for Corporate Social Responsibility

Child Safety Stores

Six shops in Aichi prefecture operated by Bell-Park are registered as places where children can go for safety if they sense any danger. This program allows children to go to and from school with confidence.



Child Safety Stores (as of Feb. 2021)

- SoftBank Moriyama Kikko (pictured)
- SoftBank Kasugai
- SoftBank Kasugai-nishi
- SoftBank Kasugai-takayama
- SoftBank Okehazama
- SoftBank Nonami



A Bell-Park Child Safety Store sticker

Phone recycling program

Bell-Park supports the recycling activities of carriers and the Mobile Recycle Network by accepting used mobile phones for recycling at all shops operated by Bell-Park.

At some shops, customers who return a phone for recycling receive an eco-bag.



モバイル・リサイクル・ネットワーク
携帯電話・PHSのリサイクルにご協力を。



Eco-bags feature a unique Bell-Park design

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2021 Forecast Assumptions

2021 sales forecast for mobile phones and other products is 850,000 units (0.4% more than in 2020)

Sales channels	Topics	Impact on sales volume (YoY change)		Impact on operating income (YoY change)
Carrier shops (Existing shops)	<ul style="list-style-type: none"> Recovery from the downturn in sales volume when shop operations were restricted during the April-May 2020 state of emergency *Sales in January 2021 were higher than one year earlier 			
	<ul style="list-style-type: none"> The start in April 2021 of a service plan exclusively for internet access may reduce the number of people visiting carrier shops 			
Carrier shops (New shops)	<ul style="list-style-type: none"> Higher sales volume at shops opened in 2020 Plan to continue adding new shops in 2021 			
Corporate sales	<ul style="list-style-type: none"> Higher sales volume due to an increase in sales personnel 			

2021 Consolidated Forecasts

Forecast sales of 89 billion yen and operating income of 4.5 billion yen

- Forecast lower sales as a decrease in the average sales price per mobile phone outweighs an increase in sales volume
- Forecast lower earnings, mainly the result of a decline in existing shop sales volume and higher earnings at shops added in 2020
- Forecast an increase in SG&A expenses because of the larger number of shops, expenditures to strengthen IT security and other reasons; measures to hold down expenses will continue, including raising the efficiency of administrative operations

(million yen)

	2020 results	2021 plan	YoY change
Net sales	98,843	89,000	-9,843
(Comp.)	(100.0%)	(100.0%)	-10.0%
Operating income	5,052	4,500	-552
	(5.1%)	(5.1%)	-10.9%
Ordinary income	5,348	4,500	-848
	(5.4%)	(5.1%)	-15.9%
Profit attributable to owners of parent	3,620	2,900	-720
	(3.7%)	(3.3%)	-19.9%

Shareholder Returns

Bell-Park positions the distribution of earnings to shareholders as one of its highest priorities.

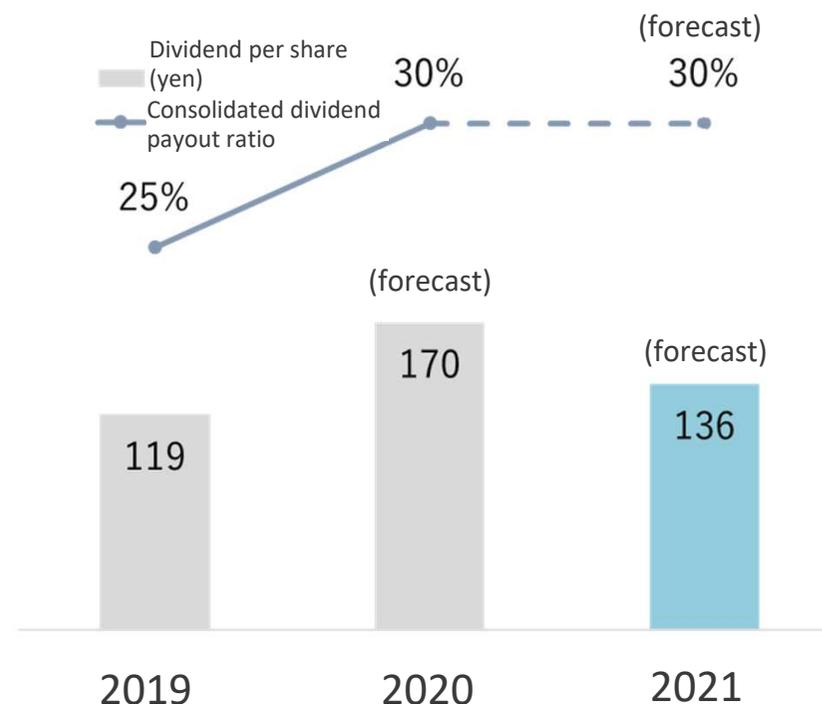
2021 Annual Dividend Forecast

136 yen per share

(2Q-end 68 yen, year-end 68 yen)

Fundamental policy regarding distribution of earnings

Plan to maintain a consolidated dividend payout ratio of at least 30%



* The dividend forecast assumes that profit attributable to owners of parent will be 2,900 million yen in 2021 as forecast.

Bell-Park

Lovely future

Appendix

Profile of Bell-Park

Name	Bell-Park Co., Ltd.	Business	Information and communication device sales and service business
Capital (as of Dec. 31, 2020)	1,148 million yen	No. of carrier shops (as of Dec. 31, 2020)	Total: 363 stores (65 stores) <small>*Franchised stores in parentheses</small> 304 (58) SoftBank Shops 44 (7) Y!mobile Shops 8 Docomo Shops 7 au Shops
Headquarters	Hirakawacho Center Bldg., 1-4-12 Hirakawa-cho, Chiyoda-ku, Tokyo	Bell-Park group companies	Consolidated subsidiary Bell-Park Next Co., Ltd. Non-consolidated subsidiaries Bellbride, Inc. B-Lab, Inc. Wactive Inc.
Founded	February 2, 1993, 29th fiscal year		
No. of employees (consolidated) (as of Dec. 31, 2020)	2,302 (full time: 1,855; temporary: 447)		

5-year Financial Summary

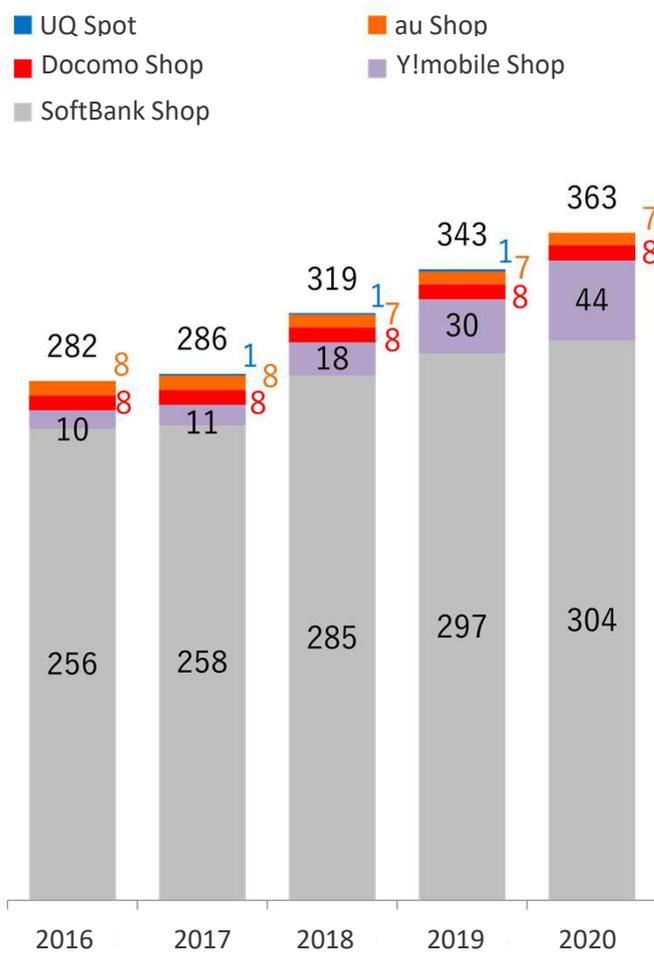
(million yen)

	2016	2017	2018	2019	2020
Net sales	89,629	88,894	98,088	103,303	98,843
Gross profit	18,674	18,553	19,975	24,165	24,349
Personnel, etc.	8,882	8,821	9,282	10,636	11,355
Rent	2,076	2,153	2,295	2,537	2,716
Ads/sales promotion	1,649	1,529	1,927	2,818	1,427
Others	3,220	2,897	3,241	3,797	3,798
SG&A expenses	15,828	15,401	16,746	19,790	19,297
Operating income	2,846	3,151	3,229	4,375	5,052
Ordinary income	2,927	3,184	3,256	4,379	5,348
Profit attributable to owners of parent	1,644	2,182	2,115	3,040	3,620

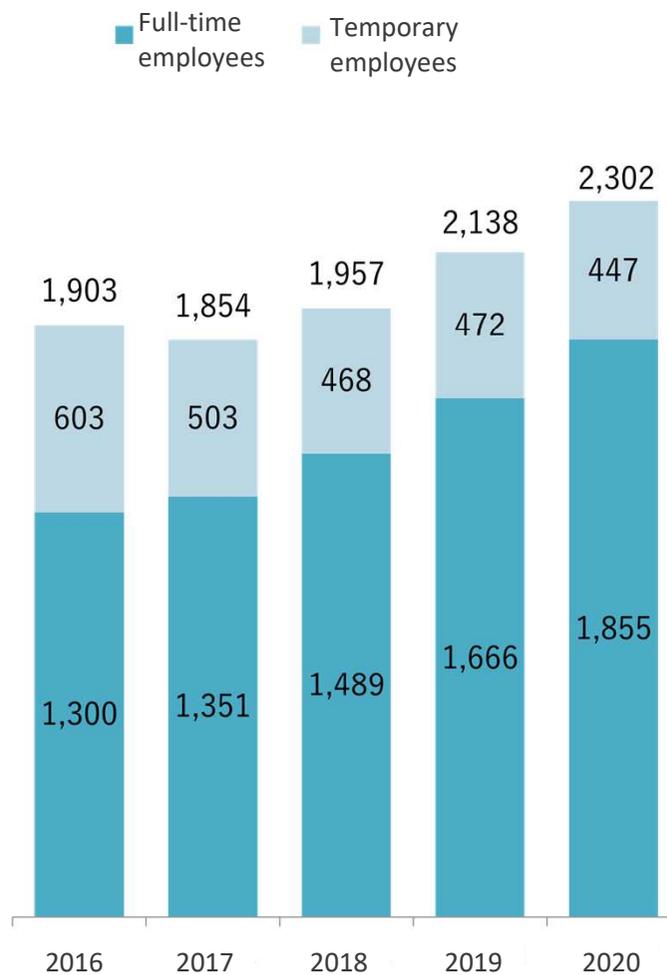
	2016	2017	2018	2019	2020
Total assets	34,021	38,589	39,093	43,572	46,371
Net assets	17,921	19,655	21,335	23,889	26,661
Equity ratio	52.0%	50.9%	54.6%	54.8%	57.5%
Return on equity (ROE)	9.7%	11.7%	10.3%	13.4%	14.3%
Ratio of ordinary income to total assets (ROA)	9.1%	8.8%	8.4%	10.6%	11.9%
Operating margin	3.2%	3.5%	3.3%	4.2%	5.1%
Dividend on equity (DOE)	1.1%	1.9%	2.2%	3.4%	4.3%

Number of Carrier Shops, Employees and Mobile Phones Sold

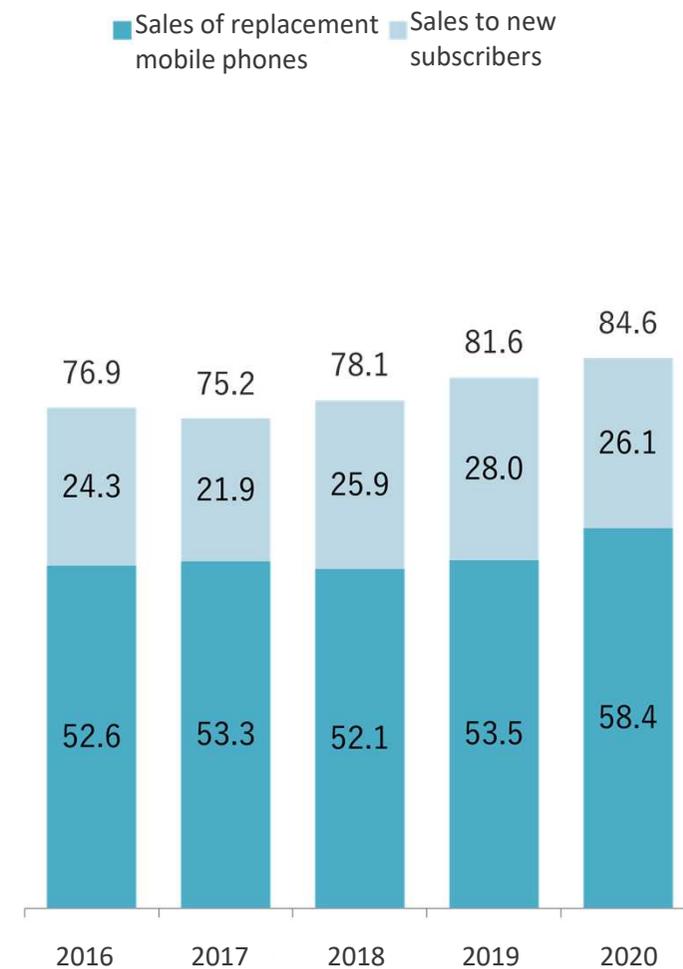
Number of Carrier Shops



Number of Employees



Number of Mobile Phones Sold (10 thousand units)



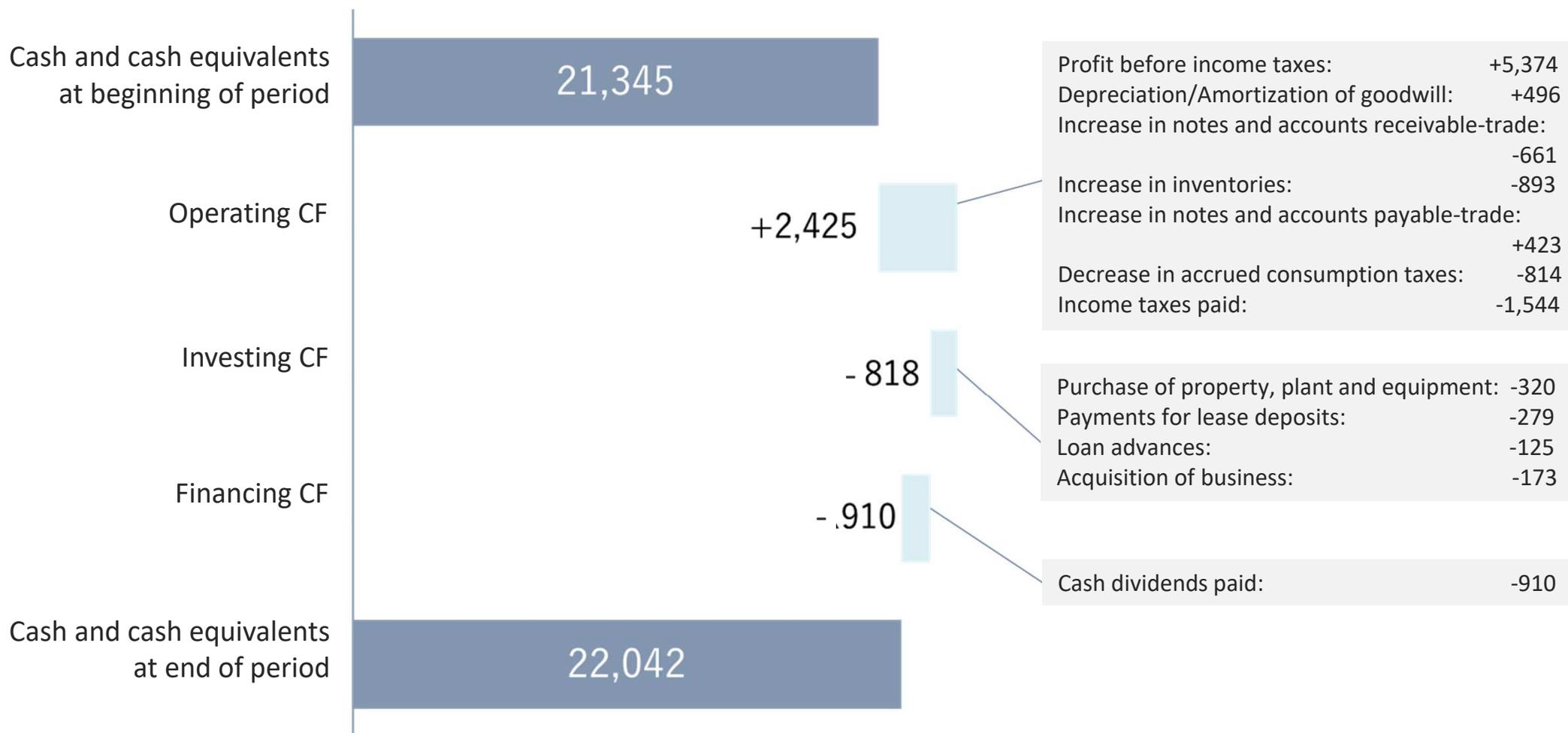
Balance Sheet

(million yen)

	End-Dec. 2019	End-Dec. 2020	YoY change
Current assets	38,087	40,420	+2,332
Noncurrent assets	5,485	5,951	+466
Assets	43,572	46,371	+2,798
Current liabilities	13,982	18,980	+4,997
Noncurrent liabilities	5,700	730	-4,970
Liabilities	19,683	19,710	+26
Net assets	23,889	26,661	+2,772

Cash Flows

(million yen)



National Association of Mobile-phone Distributors

Bell-Park is a member of the National Association of Mobile-phone Distributors. We play an important role in activities for reducing the number of customer complaints and improving the quality of services at mobile phone agent shops.



Number of members
503 companies / 6,495 stores
(as of April 1, 2020)

Website URL: <http://www.keitai.or.jp/>

The e-Net Caravan Campaign

Bell-Park participates in the e-Net Caravan Campaign by sending certified instructors to schools throughout Japan

What is e-Net Caravan?

An education program for young people about Internet literacy, online manners and other subjects involving the Internet

Provision at no cost of certified instructors to schools and other educational institutions throughout Japan, backed by data/telecommunications companies and associations, the Ministry of Internal Affairs and Communications, and the Ministry of Education, Culture, Sports, Science and Technology

Lessons on the safe and proper use of the internet



Classes for students of all ages, parents and guardians, and teachers

Bell-Park activities

e-Net Caravan Attendance **20,583**
(2018-2020)

e-Net Caravan activities were suspended in February 2020 because of COVID-19.

A certificate of appreciation given to a Bell-Park instructor
(Tokai Bureau of Telecommunications, Ministry of Internal Affairs and Communications)

This certificate of appreciation was given in recognition of the many activities of Bell-Park certified instructors during fiscal 2019. (June 2020)



*Photo taken at a Bell-Park shop

Forward-Looking Statements

All plans, strategies and financial forecasts that are not based on historical facts are forward-looking statements. Such statements are based on the judgment of management in accordance with information available when these materials were prepared. Actual results may differ significantly from these statements due to changes in the operating environment and many other factors.